



CANNON BUILDING
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STATE OF DELAWARE
DEPARTMENT OF STATE
DIVISION OF PROFESSIONAL REGULATION

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PUBLIC MEETING MINUTES:	COUNCIL ON REAL ESTATE APPRAISERS
MEETING DATE AND TIME:	Friday, January 11, 2013 at 9:30 a.m.
PLACE:	861 Silver Lake Boulevard, Dover, Delaware Conference Room A , 2nd floor of the Cannon Building
MINUTES APPROVED:	February 19, 2013

Members Present

Georgianna Trietley, Chair, Professional Member
Ronald Mandato, Vice Chair, Professional Member
William Diveley, Professional Member
Frank Smith, Public Member
Richard Wheeler, Public Member (left at 10:55 a.m.)
Frank Long, Public Member

Division Staff/Deputy Attorney General

Patricia Davis-Oliva, Deputy Attorney General (entered at 9:50 a.m.)
Amanda McAtee, Administrative Specialist II
James Collins, Director of the Division of Professional Regulation

Members Absent

Brad Levering, Professional Member

Others Present

Doug Sensabaugh
Denzil Hardman
Beverly Wilson
Cheryl Russell
Jeanie Tidwell
Claire Brooke
Vicki Metcalf

Call to Order

Ms. Trietley called the meeting to order at 9:35 a.m.

Review and Approval of Minutes

The Council reviewed the minutes from the November 20, 2012 meeting. Mr. Smith made a motion, seconded by Mr. Diveley, to approve the minutes as submitted. The motion carried unanimously.

Unfinished Business

Status of Complaint: 19-15-11

Ms. Trietley stated complaint number 19-15-11 was forwarded to Attorney General's Office for review.

Status of Complaint: 19-17-11

Ms. Trietley stated complaint number 19-17-11 was dismissed by the Division.

Status of Complaint: 19-02-12

Ms. Trietley stated complaint number 19-02-12 was dismissed by the Division.

Status of Complaint: 19-10-11

Ms. Trietley stated complaint number 19-10-11 was dismissed by the Division.

Status of Complaint 19-02-10

Ms. Trietley stated complaint number 19-02-10 was dismissed by the Attorney General's Office (valid defense).

Review of Letter and Appraisal Reports for Kelly Leaberry's Consent Agreement

Mr. Mandato reviewed the correspondence, logs, and appraisal report from Kelly Leaberry. Mr. Mandato stated that Ms. Leaberry was instructed to take INNOVIA MLS training as part of her consent agreement since she had stated in her hearing that she was unfamiliar with the MLS system. In the consent agreement she was instructed to take this course, "as soon as possible." On November 26, 2012 Ms. Leaberry forwarded Ms. McAtee a receipt for online realist training that she had written "INNOVIA Training" at the top of. After Mr. Mandato reviewed the receipt, he concluded that the receipt was for realist training and it was a 45 minute tutorial, the receipt was not for INNOVIA MLS training as Ms. Leaberry had written on the receipt. Mr. Mandato had researched and discovered that the next INNOVIA MLS training course was scheduled for January 23, 2013. Ms. McAtee then forwarded Ms. Leaberry this information on November 26, 2012 and Ms. Leaberry indicated to Ms. McAtee that she would be taking the course. Ms. McAtee stated that from her last communication with Ms. Leaberry on January 4, 2013, she stated she would be taking the course on January 23, 2013. After reviewing the appraisal report, Mr. Mandato stated that he found it misleading and non-compliant with USPAP guidelines.

Ms. Davis-Oliva stated that Ms. Leaberry was still out of compliance with the original order. On November 21, 2012 the Council sent a letter giving Ms. Leaberry a second chance to come into compliance and at this point the Council could send a Rule to Show Cause notice which would give her the opportunity to explain to the Council why she has been out of compliance.

Ms. Trietley made a motion, seconded by Mr. Smith, to schedule a Rule to Show Cause hearing for Ms. Leaberry. The motion carried unanimously.

New Business

New Complaints

Complaint number 19-21-12 of Kent County was assigned to Ms. Trietley.

Ratification of Issued Licenses

Mr. Diveley made a motion, seconded by Mr. Long, to ratify the list of licenses issued below. The motion carried unanimously.

Donna Anderson, CRRPA
Christopher Barrett; Trainee: Supervisor: Thomas Bowers, CRRPA

Review of experience log

The experience log for Teresa Shrine was assigned to Ms. Trietley

Approval of Continuing Education Activities

Mr. Diveley made a motion, seconded by Mr. Mandato, to approve the continuing education activities listed below. The motion carried unanimously.

Schlicher-Kratz Institute

- Mortgage Lending in Today's Market
- Re-thinking Basement Adjustments

NAIFA

- Appraising in the Foreclosure Market
- Understanding Highest and Best Use

Review of Temp applications

Ms. Trietley stated that temporary applications were issued to James Piwarun, Thomas Shields, Bruce Nell, Ronald Owens, Jr., John Rimar, Jarrett Schleyer, Eric Sullivan, Brett Thompson, Jennifer Hsu, and Christine Ann Porter. There was no discussion by the Council.

Other Business before the Council (for discussion only)

Ms. Metcalf explained the function of the Appraisal Subcommittee (ASC) and their review processes for each state. Ms. Metcalf advised that the ASC develops policy statements that measure the compliance of state regulatory bodies according to Title XI. She stated that her review panel had been at the Division of Professional Regulation for the past few days reviewing files and that they were still in the fact finding phase. She praised the Division staff for their help and assistance.

Ms. Metcalf stated that the Dodd-Frank Act related changes would be implemented as of July 1, 2013 and the Appraisal Qualifications Board (AQB) criteria would be changing in 2015. Statutory changes would have to be in place to bring reciprocity policies into accordance with the Dodd-Frank Act by July 1, 2013.

Mr. Collins inquired how the licensure process under reciprocity would operate when an individual was under investigation in another jurisdiction. Mr. Collins questioned whether or not the Council would be able to consider that as part of the licensure process. Ms. Metcalf stated that it was not for another state to decide if an individual was in good standing or not. If another state indicated that a licensee was disciplined and was now in good standing then it would not be for another state to decide if they were currently in good standing. Concerning pending convictions, an individual is innocent until proven guilty; the thought is that you cannot deny an application until the individual is actually convicted. Once you have credentialed an individual, your Division could track what was happening in other pending cases. Ms. Metcalf stated that in the preliminary report she would notate that this topic was an area of concern for the Division.

Ms. Metcalf informed the Council that as of July 1, 2013 licensed real property appraisers could no longer supervise trainees.

Ms. Metcalf stated that during the review of applications, she had some concerns with how experience and education were being evaluated in individuals that had upgraded their license. She had supplied the names of the individuals she had concerns with and would be following up with Ms. McAtee. If her concerns were found to be valid then the Division would have to ask the individual(s) for the experience/education that was required. If the individual(s) did not have the required experience/education then their credentials would either need to be downgraded or revoked. Ms. Metcalf requested that when reviewing applications that experience logs were consistent with the AQB criteria. If an applicant was applying for a certified general license then their experience log should relate to non-residential properties. The work performed should always be USPAP compliant.

Ms. Metcalf advised that when reviewing initial applications the Council should be looking for basic USPAP compliance. A lot of states currently use a USPAP checklist during the review process. The thought is that all of the work on the log was USPAP compliant so when samples are randomly selected a Council member is confirming that the work actually exists. Once the work product is received by Council it needs to be reviewed and analyzed for compliance with USPAP. If the sampling provided is appropriate then the applicant can move on in the licensure process. However, it is recommended to select work products that are a sampling of the license level the applicant is applying for. For certified general a mixture of residential and commercial properties should be selected. If the applicant is upgrading to certified general then the commercial work that appeared on the log should be concentrated on. Ms. Metcalf stressed that the entire application should be thoroughly reviewed to ensure that the education and experience was appropriate.

Ms. Metcalf stated that the temporary practice applications looked great and that the Division staff was following that process exactly as they should be. The temporary applications must be issued within five days and the Division routinely completed applications within one day. Delaware currently charges one of the lowest temporary licensing fees in the country.

Mr. Diveley asked if the Council could place limits on the amount of temporary permits issued to an individual. Ms. Metcalf responded that the ASC had policies on this issue and that they were being redrafted. The current policy stated that at least one temporary permit must be issued in a calendar year. Some jurisdictions limit temporary permits to two or three and that is allowed once at least two temporary permits had been issued. Some states enjoyed the revenue benefits from temporary permit fees. Other states that enforce limits feel that they have more control over the individuals that were practicing in their state on a regular basis. The decision is entirely up to each individual state and there are not many cases of complaints regarding temporary practice licensees. Mr. Diveley stated that if someone is licensed in this state they would have to take the Delaware Rules and Regulations continuing education course during each licensure cycle. He felt that if an individual was constantly working in Delaware that they should take that course.

Ms. Metcalf stated that the ASC encouraged states to reciprocate with each other and that Delaware had been following the current requirements for reciprocity.

Ms. Metcalf stated that during the continuing education review that she had one question that concerned a course that dealt with the topic of a 401K. All of the other continuing education listings seemed to be appropriate and the Division staff had kept excellent files.

In the area of enforcement Ms. Metcalf stated that complaints should be resolved within a year of receipt. She noted that expectation is somewhat ambitious but the ASC did take certain circumstances into consideration. In the past this had not been a problem for Delaware but it appears at this review it was. At the time of review there were thirty-four cases currently open and fifteen of those cases had been in process for over a year.

Ms. Metcalf understood that the Attorney General's office was in the process of abbreviating the process currently used to dismiss a case. Moving forward, the ASC would like to see a reason why a case was dismissed; this is also something the Council had been concerned with as well. Ms. Metcalf stated that an explanation should exist somewhere in the case file whenever a case was closed at any level. The ASC wanted to view the chain of events and the case outcome. The ASC encouraged that records be kept that explained the closure of closed complaints. Ms. Metcalf stated that the enforcement files appeared good and that the relationship between the investigators, the Council, and the Board liaison looked great as well. She did not see a real problem with how the enforcement was being handled other than the time factor.

Ms. Metcalf stated that the National Registry should be an accurate reflection of everyone licensed across the country. The Division staff used this quite frequently and the invoices were paid in a timely manner. One case was found that was not reported to the registry and another case was discovered that had been overturned and was not removed from the registry. Other than those two items the National Registry was functioning well.

Ms. Metcalf opened the floor for any questions or comments.

Mr. Collins asked Ms. Metcalf for her thoughts on Appraisal Management Companies (AMCs). Ms. Metcalf responded that under the Dodd-Frank Act the ASC would eventually oversee AMCs and it would not happen for quite a while. The Dodd-Frank Act required the banking agencies to develop policies and that had not happened yet. The states would have three years to get their regulations in place once the regulations were finalized by the banking agencies. The ASC would work in the interim to make sure states were getting things in place regarding AMCs. All thirty-three states that currently had AMC regulations in place would probably have to change something after the banking agencies came up with their regulations. The ASC would probably not begin overseeing AMCs until 2017 given the current time line.

Ms. Metcalf stated that a hotline was currently being developed under the Dodd-Frank Act that would allow individuals to file complaints worldwide about any part of the appraisal process. The hotline was projected for completion in the next few months. This Division would receive a notice when that hotline was implemented. When the ASC received a complaint through the hotline, they would decide the best entity to address it. After the hotline was established complaints would probably increase. Mr. Diveley inquired if the complaints would be anonymous. Mr. Collins added that the Division does not accept anonymous complaints. Ms. Metcalf responded that she was unsure of how the complaint system was set up but she would find out more information. Mr. Collins stated that if a complaint came in anonymously, the Division would dismiss it and a record would be kept. Ms. Metcalf felt that would be an appropriate response to an anonymous complaint and stated that she would get more information for the Division.

Mr. Collins thanked Ms. Metcalf and her team for their work.

Ms. Metcalf thanked the Division for their help during the audit process.

Public Comment

Beverly Wilson of Delmar stated that she had a lender ask her to change an October 2012 appraisal from a FHA loan to a USDA rural housing loan. Ms. Wilson believed that USDA rural housing loans fell under FHA guidelines and asked the Council for advice. Mr. Mandato stated that he had experience in that area. He had changed the intended user with a letter from the lender, just no case number. If you verify with HUD that the case number had been transferred and keep that documentation, you should be fine.

Denny Hardman of New Castle County stated that he was ready to apply for the assessor certification and inquired when the application would be available. Ms. McAtee stated that the Council was still in the process of developing the application.

Mr. Sensabaugh presented the Council with a list of courses and workshops that are currently offered for assessors. Ms. McAtee explained the process of submitting the courses to the Council for continuing education approval.

Next Meeting

The next meeting is scheduled for February 19, 2013 at 9:30 a.m. in Conference Room A second floor, Cannon Building, 861 Silver Lake Boulevard, Dover, Delaware.

Adjournment

Mr. Diveley made a motion, seconded by Mr. Long to adjourn the meeting. There being no further business before the Council, the meeting adjourned at 11:18 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'A McAtee', written in a cursive style.

Amanda McAtee
Administrative Specialist II

The notes of this meeting are not intended to be a verbatim record of the topics that were presented or discussed. They are for the use of the Commission members and the public in supplementing their personal notes and recall for presentations.